

Tennessee Housing Development Agency



2003 Annual Report

For more information

regarding THDA

and its programs

log on to the website at

www.tennessee.gov/thda



*Governor Phil Bredesen
Governor of the State of
Tennessee*

I would like to congratulate the Tennessee Housing Development Agency on its thirtieth anniversary of helping families throughout Tennessee to obtain sound and affordable housing.

Since its inception, the staff and board of THDA have committed themselves to becoming the lead agency for providing sound and affordable housing for Tennessee families, and they've succeeded in fulfilling that mission.

During the last 30 years, the THDA has helped more than 80,000 first-time homebuyers realize their own "American Dream" through their single-family mortgage program; issued more than \$4.8 billion in bonds to finance mortgages; helped more than 5,900 Tennesseans with Section 8 rental assistance; helped construct or rehabilitate nearly 6,000 units of affordable housing; and constructed more than 24,000 affordable multifamily units. Now these are accomplishments they can be proud of and all Tennesseans should commend.

I would also like to thank the THDA for all the help they gave to those whose lives were changed by the storms that ravaged the state in May of 2003. THDA provided \$45 million for disaster relief and economic recovery, and became a major player in restoring the thousands of homes damaged by these storms when they launched the "Disaster Recovery for Housing" program. This program allotted \$500,000 from the agency's HOUSE (Housing Opportunities Using State Encouragement) program to the five counties which submitted the highest number of applications for federal disaster assistance.

Throughout the years, THDA has achieved many milestones. In 2003, the agency recorded its lowest interest rate ever at 4.65 percent for a 30-year mortgage. As a result, its home ownership division provided over 2,600 low to moderate income families with \$234.5 million in mortgages.

Through the years, you've had many successes, and contributed to enhancing the lives of thousands by helping them fill one of the most important needs a family can have – finding a home.

THDA has undoubtedly been a great asset to the state and the families of Tennessee for the last 30 years. I wish you continued success and thank you for all you do.



Mr. Eddie Latimer
Chairman of the Board

I find myself marveling about what the Tennessee Housing Development Agency has accomplished in 2003, and over the past 30 years. Our single-family and multifamily housing programs have opened new doors to affordable housing for so many people, and I'm proud to have been given the opportunity to be a part of that success. THDA approved the construction of and the rehabilitation of over 3,700 affordable rental units in 2003, and over 2,600 families were able to purchase their own homes last year as a result of our single-family programs.

I believe THDA's remarkable success over the years can be attributed to the strong leadership and the dynamic group of senior management including Janice Myrick, Don Harris, Ted Fellman, Lynn Miller, Wayne Beard, Joe Brown, Ed Lozier, Ed Yandell, Jane Boles, Laura Swanson, Kathy Whalen, Mark Davis, Lorrie Shearon, Ron Erickson, and Larry Richardson.

In these difficult fiscal times, it is critical for Tennessee Housing to assure the Governor and the Tennessee Legislature that we are at task. We maintain our reputation of doing business in a fair and equitable way, and we're leveraging housing funds to stretch further and to put affordable housing within the reach of even more Tennesseans.

THDA has come a long way since its inception. Our evolution is evident in the nature of our productive relationships with the banking industry, the realtors and the development community. Our programs and initiatives are targeted and focused at all times, and our results are tangible. I want to commend Janice Myrick and the team at Tennessee Housing, and I want to encourage the team to continue achieving the mission, by working together.



Ms. Janice Myrick
Executive Director

An annual report like this is both a look back and a look ahead. It is a time for us to review our progress, be proud of our successes and be honest enough about our challenges to begin charting a path for the coming year.

The self-analysis is all the more important now because in the middle of 2003, we had a change in Board Chairman. We are examining the State's external priorities with regard to housing and helping to address the priorities set by Governor Bredeesen's housing summits.

I am proud of what we have accomplished over the years, working together as a Board and as a staff, providing a better place to live for low-income Tennesseans across the State. Over the years, we have created and maintained fair and open processes, competitive systems that don't unnecessarily focus on just process. We have continued a collaborative relationship with other providers of affordable housing and other partners. Tennessee Housing has a management team and staff committed to fairness and diversity and to using the housing resources entrusted to us to best serve our fellow Tennesseans.

With all the great things that Tennessee Housing does, there is still work to be done. We must continue to enhance our data management and analysis tools so that we can better target resources to where they are needed most. And we must continue to learn more about how to better serve the special needs populations, such as the elderly, mentally ill, disabled and those with extremely low incomes, and then figure out ways to further shape our processes and programs to meet their housing needs.

From a policy and strategy standpoint Tennessee Housing has come a long way in the past 30 years. The economic environment, funding sources, programs and mandates have changed since 1973. However, the basic challenge of finding the solution to financing the "gap" to provide affordable, decent housing for all lower income families remains. I look forward to working with the Board, my dedicated staff and our other partners in finding solutions to meet the housing needs facing Tennesseans.

Thirty Year Partnership History



*Left to Right:
Former Governor Ned Ray McWherter,
Former Governor Donald Sundquist,
Governor Phil Bredesen, Former Governor
Winfield Dunn*

Governor Winfield Dunn 1971-1975

- In 1972 Legislation first offered by Governor Winfield Dunn.
- In 1973 The Tennessee Housing Development Agency Act passes with one dissenting vote after amendments.
- The number of mortgages was 1,083 totaling \$27.8 million.
- In 1974 first bond sale, \$32,880,000; 1974 Series A; \$25,000,000 to mortgage purchases from 23 institutions; \$4,000,000 for 200 new loans.

Governor Ray Blanton 1975-1979

- Bonds issued totaling \$319,985,000.
- THDA made 6,103 mortgage loans totaling over \$137.7 million.
- Multifamily Mortgages made for 20 units, \$508 thousand.
- There were 722 Section 8 vouchers providing \$1.5 million in rental assistance.
- The Janet Clark Home in Crossville for mentally and physically disabled adults was the first group home built.

Governor Lamar Alexander 1979-1987

- Bonds issued totaling \$926,340,737.
- THDA made 21,121 loans in single-family program totaling \$738 million.
- Multifamily Mortgages made for 2,850 units, \$69.2 million.
- THDA's Section 8 Rental Assistance division helped 2,074 families with \$88.7 million.
- Congress introduces Low Income Housing Tax Credit Program.
- The Agency takes on the Rental Rehabilitation Program and converts the first school into affordable apartments in Fayetteville.
- THDA brought together many sectors of the housing industry for the first Tennessee Housing Industry conference.

Governor Ned Ray McWherter 1987-1995

- Bonds issued totaling \$1,591,299,305.
- THDA provided 28,211 low interest mortgages totaling over \$1.2 billion.
- There were 6,101 Tennessee families that received Section 8 assistance.
- In the Low Income Housing Tax Credit program 11,394 units were built receiving \$23.4 million in credits.
- The HOUSE (Housing Opportunities Using State Encouragement) grant program was established, helping 8,526 households totaling over \$46 million in state funds.
- The federal HOME grant was implemented, helping 1,854 households during this administration totaling over \$34 million in federal funds.

Governor Don Sundquist 1995-2003

- Bonds issued totaling \$1,967,303,335.
- THDA made over 24,000 mortgage loans totaling \$1.5 billion.
- The Section 8 Rental Assistance program is housing 6,979 families in 78 counties.
- The HOUSE program assisted 4,765 families rehabilitate their homes.
- The federally-funded HOME grant program helped 3,956, totaling \$111 million.
- In the Low Income Housing Tax Credit program, 13,009 units were built receiving \$63.3 million in credits.
- Received the contract from HUD to administer the Section 8 Contract Administration program for over 25,500 multifamily units.
- The THDA Grant program helped 313 families to rehabilitate owner-occupied homes totaling \$4 million in Agency funds.

Governor Phil Bredesen 2003-present

- Bonds issued totaling \$50,000,000.
- THDA provided over 2,600 low interest mortgages to families totaling \$234.5 million.
- The Section 8 Rental Assistance program is housing over 5,900 families in 75 counties - \$24.8 million.
- THDA along with housing partners organized the first ever statewide Hispanic Housing Conference.
- The Board approved a \$45 million disaster relief and economic recovery mortgage program with \$500,000 in down payment assistance grants.
- \$81 million of tax exempt volume cap for multifamily.



**“THDA provided over
2,500 families with the
dream of homeownership
in 2003.”**

Homeownership

THDA administers various mortgage programs statewide to provide financing for first-time homebuyers with low to moderate income. During calendar year 2003, over \$234.5 million in mortgages was provided to over 2,600 families with low to moderate income.

During the spring and early summer, severe storms resulted in 69 counties in Tennessee being declared federal disaster areas. In order to aid families in these counties, THDA implemented a pilot program entitled the “Disaster Relief and Economic Recovery Mortgage Program”. The agency allocated \$45 million dollars from the bond program for individual assistance due to the tornados, flooding and related storm damage. This program was available to an individual or family affected regardless if they were a home owner or renter. For low and very low income households a grant of up to \$5,000 was available to be used for down payment and closing costs. This program was very successful and enabled THDA to help 403 families in the disaster counties during the last six months of the year.

The New Start Program implemented in late 2001 now has 31 non-profit program partners participating with THDA to aid low-income families in purchasing a newly constructed home at zero percent interest. Over \$4.5 million in funding has provided 100 families the ability to purchase a new home. These families would not have been able to purchase their own home without this program.

The success of these programs depends on our maintaining productive partnerships with financial institutions and mortgage bankers, who originate our loans. The Real Estate Professionals throughout the state are also vital to the success of our mortgage programs. THDA is proud to work with these groups to make the dream of homeownership a reality for thousands of first-time homebuyers in Tennessee each year.

Also in 2003, THDA began a pilot program to perform all servicing functions for a few hundred loans. While not intended to replace outside servicing organizations, THDA’s direct servicing project will be an option for special lending programs that may be developed in the future. Staff was able to undertake this venture due to time savings realized by converting our outside servicers’ reporting routine from a monthly paper process to a daily electronic method.

THDA Borrower/Property Characteristics

	Great Start	Great Rate	New Start	Disaster Relief	Economic Recovery
Household Income	\$37,143	\$35,720	\$19,760	\$29,200	\$44,356
Purchase Price	\$85,000	\$92,200	\$54,230	\$63,606	\$99,388
Square Feet	1,219	1,240	1,056	1,437	1,428
Year Built	1981	1992	2003	1992	1994
Borrower Age	28	28	41	38	32

*All figures are median values.

Geographic Distribution of THDA Program Dollars

GRAND DIVISIONS	All Programs*	Great Start	Great Rate	New Start
East	\$57,886,123	\$25,233,745	\$29,288,347	\$550,935
Middle	\$120,758,032	\$33,340,597	\$68,425,776	\$193,156
West	\$55,898,023	\$23,059,680	\$14,798,606	\$174,592
Statewide	\$234,542,178	\$81,634,022	\$112,512,729	\$918,683

*This figure includes Disaster Relief and Economic Recovery Funds as outlined below.

Geographic Distribution of Disaster Program Dollars

GRAND DIVISIONS	Total	Disaster Relief	Economic Recovery
East	\$2,813,096	\$0	\$2,813,096
Middle	\$18,798,503	\$5,835,269	\$12,963,234
West	\$17,865,145	\$7,268,207	\$10,596,938
Statewide	\$39,476,744	\$13,103,476	\$26,373,268



Homeownership





**“THDA provided grants
across the state to create
and rehabilitate over 500
units in 2003.”**

Grants Program

The Community Programs Division administers the federally-funded HOME program to assist low and very low income families with their affordable housing needs. In 2003, THDA changed the way it allocated its HOME funds across the State. While the HOME regulations mandate a 10% set-aside for administration and a 15% set-aside for community housing development organizations or CHDOs, for the first time, THDA set-aside 10% of the HOME funds for special needs projects; and allocated the balance regionally based upon the distribution of low-income households in the non-entitlement areas. In an effort to make the HOME program more accessible to potential applicants, Community Program staff conducted three application workshops, one in each of the three Grand Divisions of the State to explain program requirements. In addition to the HOME Manual with all of the policies and regulations, the 2003 HOME Program Description and Application was also available on the THDA website for easy access in a pdf-fillable format. In May 2003, 110 applicants requested a total of \$49,902,758. With an allocation of \$17,941,000, THDA funded 67 applications to address 480 units.

Although the majority of the 2003 HOME grants funded rehabilitation of owner-occupied housing, particularly for low and very low income elderly, there was a total of \$2,269,677 awarded to rental projects serving beneficiaries with special needs due to mental illness or developmental disabilities. There was also an award of \$312,500 for rental housing to serve Hispanic farm workers. Six of the successful 2003 applications were from non-profit agencies that had never before received HOME funding.

Although Community Programs staff continues to monitor and close-out the state-funded HOUSE program and the THDA-funded Local Match and Great Place programs, those programs ended in 2002 and 2003, respectively. However, in response to the tornadoes and massive flooding which affected 69 of Tennessee's 95 counties in the spring of 2003, THDA launched a Disaster Recovery for Housing program using \$500,000 recaptured from the HOUSE program. Awards were made to the 5 counties with the highest number of applications for federal disaster assistance. The funds will be used for rehabilitation and reconstruction of housing occupied by low income families. THDA also awarded an additional \$400,000 in recaptured HOUSE funds to United Cerebral Palsy of Middle Tennessee to continue

👉 *(continued)*



Grants Program *(continued)*

the successful Ramp program, and to expand it to all 95 counties by partnering with human resource and community action agencies. The Ramp program utilizes volunteers to construct wheel chair ramps to allow our frail, disabled and elderly population access to their homes.

The Homebuyer Education Program, in partnership with the Neighborhood Reinvestment Corporation and AmSouth Bank, continues to grow. Using its own funds, THDA began providing quarterly payments of \$150 for each completed THDA loan to certified non-profit training agencies in the fall of 2003. THDA was also awarded a second HUD Housing Counseling Grant in 2003 for \$75,000 to provide additional “Train the Trainers” sessions, to purchase “Realizing the American Dream” materials for certified non-profit agencies, and to pay HBEI-certified trainers for one-on-one housing counseling services. In addition, THDA has set aside \$7,500 of its own funds for a mentoring program to pay experienced trainer agencies to provide technical assistance to new trainers. With its partners, THDA also sponsored 4 regional Money Smart financial literacy sessions and 3 regional peer sessions and fair housing training for trainers.

As the year comes to a close, the Division anticipates funding for the American Dream Downpayment Initiative in addition to its regular HOME allocation, and looks forward to a new partnership with the USDA Rural Housing Service.

Grants Program





"THDA helped over 34,500 families have safe, decent affordable rental units in 2003."

Section 8

Rental Assistance

In 75 Tennessee counties, the Rental Assistance Division provides a rental assistance program for very low income families (Housing Choice Voucher Program), a mortgage assistance program for low income families (Homeownership Voucher Program) and a self sufficiency program for participants of the voucher programs who wish to attain financial self sufficiency and become free of government services [Family Self Sufficiency (FSS) Program]. All of the programs are 100% federally funded through the Department of Housing and Urban Development (HUD). Additionally, the division conducts housing quality inspections for approximately 1,000 participants of the State of Tennessee Rental Assistance Program (STRAP) for the division of Mental Health and Developmental Disabilities (MHDD).

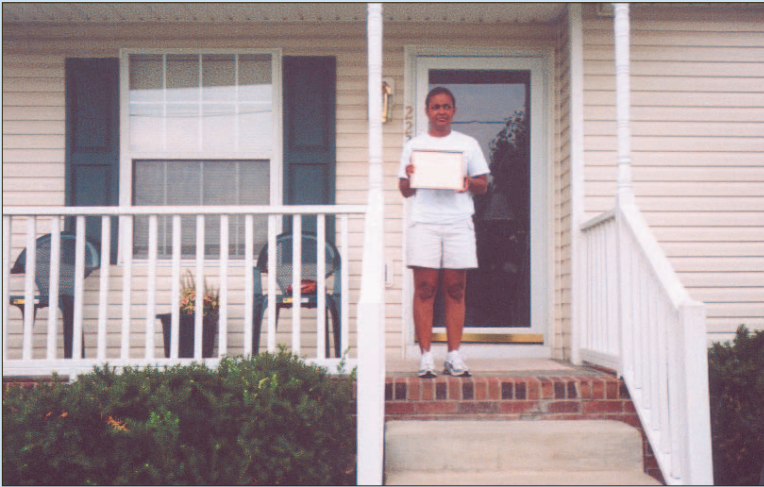
Over the past fiscal year, THDA has served over 5,900 participants in the Housing Choice Voucher Program and 18 participants in the Homeownership Voucher Program. As part of the Housing Choice Voucher program, THDA administers 70 Fair Share vouchers, and was recently awarded an additional 50 Mainstream vouchers, both of which target rental assistance to the disabled. 250 voucher families participated in the FSS Program this past fiscal year with more than 50 percent earning escrow. In the FSS Program, as a family's earned income increases, their rent burden increases. THDA sets aside the dollar amount of the rent increase each month in a savings or escrow account. When the family graduates, the total escrow is disbursed to them. THDA had 14 FSS graduates this past fiscal year and distributed \$102,562 in escrow funds to graduates.

The Rental Assistance Division was designated a High Performer in administering the Housing Choice Voucher Program, Homeownership Voucher Program and FSS Program for the third consecutive year by HUD through their Section 8 Management Assessment Program (SEMAP).

Section 8

Contract Administrator

On November 30, 2003, THDA completed its third year as Section 8 Contract Administrator for the Department of Housing and Urban Development. THDA assures compliance of group homes and apartment complexes that have HUD housing assistance payments contracts, sometimes known as project-based Section 8 rental subsidies. THDA has responsibility for 421 housing assistance payments contracts that collectively equate to 28,284 subsidized rental units. During the past year, THDA staff performed over 400 management reviews and processed over \$108 million in rental subsidy payments. Due to the continually evolving nature of the contract administration initiative, THDA staff participated in state and regional housing conferences sponsored by the Southeastern Affordable Housing Managers Association. These conferences allowed THDA and HUD staff the opportunity to share requirements, practices, and processes with owners and management agents of Tennessee Section 8 properties in an effort to produce program consistency and to hear issues of owners and management agents. THDA staff also participated in national HUD meetings attended by all contract administrators thus allowing THDA staff to share as well as gain knowledge of contract administrator practices and processes in an effort to move closer to nationwide consistency.



Section 8





Low Income Housing Tax Credit/ Multifamily Tax-Exempt Bonds

THDA's Multifamily and Special Programs Division administers the allocation portion of the Low-Income Housing Tax Credit program and the Multifamily Tax-Exempt Bond Authority program. Through allocating Low-Income Housing Tax Credits and Multifamily Tax-Exempt Bond Authority, THDA assists housing developers to serve the needs of Tennessee's low-income renters through opening doors to rehabilitated as well as newly constructed multifamily and single family rental housing. Both programs provide financial benefits to development owners so that the units are affordable to low-income renters. *THDA's goals in allocating Low-Income Housing Tax Credits are:*

1. Make rental units affordable to households with as low an income as possible and for the longest time period possible;
2. Encourage the construction or rehabilitation of rental units in the areas of Tennessee with the greatest need for affordable housing;
3. Encourage development of appropriate housing units for persons with special needs, including the elderly and persons who are homeless or have disabilities;
4. Discourage allocation of Tax Credits to developments for which Tax Credits are not necessary to create, improve, or preserve rental housing for low-income persons;
5. Allocate only the minimum amount of Tax Credits necessary to make a development financially feasible and to ensure its viability as a qualified low-income development throughout the credit period;
6. Encourage Non-Profit entities to develop rental housing for low-income households;
7. Encourage energy efficient construction and rehabilitation;
8. Encourage fair distribution of Tax Credits among counties and developers or related parties;
9. Improve distribution among developments of varying sizes to ensure that developments with a smaller number of housing units receive fair consideration; and
10. Allocate Tax Credits fairly.

➡ (continued)

Low Income Housing Tax Credit *(continued)*

Each year, the Multifamily and Special Programs Division hosts several meetings across the state to educate and seek input from developers and the public. These well-attended meetings are free, open to the public and provide a forum for the exchange of ideas and information about Tennessee's affordable rental housing needs and how those needs are best met.

In 2003, THDA allocated more than \$10.6 million in Low-Income Housing Tax Credits and more than \$46.3 million in Multifamily Tax-Exempt Bond Authority for the preservation and rehabilitation of over 900 units and the construction of over 2,200 units of affordable rental housing throughout Tennessee.



Low Income Housing Tax Credit/Multifamily Tax-Exempt Bonds



Financial Highlights in Fiscal Year 2003

(July 1, 2002 to June 30, 2003)

Total net assets of the Agency increased by \$35.7 million or 9.7%, primarily due to the single-family bond programs.

The amount of mortgage loans at year-end was \$1.4 billion, which is a net decrease of \$111.1 million. Due to current mortgage rates, mortgage prepayments remained at a higher than normal level. This net decrease resulted from loan prepayments exceeding new loan originations.

At year end, the Agency had \$1.8 billion in bonds and notes outstanding, net of unamortized bond refunding costs. This is a net decrease of \$68 million from the previous year. During the current fiscal year, the Agency increased the use of mortgage loan prepayments to call bonds. This net decrease resulted from bond maturities and calls that exceeded new debt originations.

Local grant expense decreased \$3.4 million to \$6.7 million, a 33.6% decrease. The continued phase-out of the HOUSE program is the primary reason for this decrease. The audited financial statements in their entirety are available on our website at <http://www.state.tn.us/thdalfinststate/webcov.htm>

Statement of Net Assets

The following table summarizes the changes in assets, liabilities, and net assets between June 30, 2003 and 2002.

<i>In Thousands</i>	2003	2002	Change	
Assets				
Cash, Cash Equivalents, and Investments	\$ 818,962	781,411	37,551	4.8%
Accounts and Interest Receivables	32,292	28,977	3,315	11.4%
Mortgage Loans	1,426,326	1,537,360	(111,034)	-7.2%
Other Assets	22,824	23,358	(534)	-2.3%
Total Assets	\$ 2,300,404	2,371,106	(70,702)	-3.0%
Liabilities				
Accrued Interest	\$ 47,005	48,767	(1,762)	-3.6%
Accounts Payables and accruals	26,507	63,187	(36,680)	-58.0%
Bonds and Notes Payable, net	1,821,176	1,889,153	(67,977)	-3.6%
Total Liabilities	\$ 1,894,688	2,001,107	(106,419)	-5.3%
Net Assets				
Invested in Capital Assets	\$ 0	5	(5)	-100.0%
Restricted for single family bond programs	390,631	348,167	42,464	12.2%
Restricted for grants and loan programs	5,572	11,451	(5,879)	-51.3
Unrestricted	9,513	10,376	(863)	-8.3%
Total Net Assets	\$ 405,716	369,999	35,717	9.7%

THDA Mortgage Loan Partners

1ST TRUST BANK FOR SAVINGS
ACADEMY BANK
AFFORDABLE HOUSING RESOURCES
AID TO DISTRESSED FAMILIES
ALLIANCE MORTGAGE CO.
AMERICAN HOME MORTGAGE CO.
AMERICAN MORTGAGE SERVICES INC.
AMSouth BANK
APPALACHIA HABITAT FOR HUMANITY
ATHENS FEDERAL COMMUNITY BANK
BANCORP SOUTH BANK
BANK OF AMERICA
BANK OF CLEVELAND
BANK OF DICKSON
BANK OF PUTNAM COUNTY
BANKERS MORTGAGE CO.
BANK TENNESSEE
BARTLETT MORTGAGE INC.
BEDFORD BUILDS HABITAT
BLOUNT COUNTY HABITAT FOR HUMANITY
BRANCH BANKING & TRUST CO.
BRIGHTON BANK
BRIGHTON MORTGAGE
CAMPBELL COUNTY HABITAT
CAVALRY BANKING
CHASE MANHATTAN MORTGAGE CORP.
CHATTANOOGA HABITAT FOR HUMANITY
CHATTANOOGA NEIGHBORHOOD ENT.
CITIZENS BANK
CITIZENS BANK OF BLOUNT COUNTY
CITIZENS NATIONAL BANK
CLAIBORNE COUNTY HABITAT
COLUMBIA NATIONAL MORTGAGE
COMMERCIAL BANK & TRUST CO.
COMMUNITY MORTGAGE CORP.
COMPASS MORTGAGE INC.
COUNTRYWIDE HOME LOANS INC.
CREATIVE COMPASSIONS INC.
CROSSMAN MORTGAGE CORP.
CTX MORTGAGE CO.
CUMBERLAND BANK
CUMBERLAND COUNTY HABITAT
EAST TENNESSEE MORTGAGE CO.
EASTERN EIGHT COMM DEV. CORP.
FARMERS & MERCHANTS BANK
FARMERS BANK
FINANCIAL FEDERAL SAVINGS BANK
FIRST CENTURY BANK
FIRST CITIZENS NATIONAL BANK
FIRST COMMUNITY BANK
FIRST FEDERAL SAVINGS BANK
FIRST HORIZON HOME LOANS
FIRST HORIZON MORTGAGE
FIRST NATIONAL BANK
FIRST NATIONAL BANK/PULASKI
FIRST NATIONAL BANK
MCMINNVILLE
FIRST NATIONAL BANK OF CUMBERLAND
FIRST PEOPLES BANK - JEFFERSON
FIRST TRUST BANK FOR SAVINGS
FIRST VIRGINIA MORTGAGE CO.
FIRST VOLUNTEER BANK OF TN
FRANKLIN AMERICAN MORTGAGE CO.
FRANKLIN FEDERAL SAVINGS BANK
FRANKLIN NATIONAL BANK
GEORGIA BANK & TRUST CO.
GMAC
GREENE COUNTY BANK
GREENE COUNTY HABITAT

2003 Outreach Opportunities Summary

- Met with Vanderbilt Institute for Public Policy Studies regarding housing for foster children
- Met with UT Agricultural Extension Services about their participation in the Homebuyer Education Initiative
- Presented at the Rural Development/HUD roundtable in West Tennessee
- Participated in Freddie Mac & Fannie Mae seminar sponsored by Nashville Mortgage Bankers Association
- Participated in Douglas Cherokee technical assistance overview on Energy Efficiency in Affordable Housing
- Participated in the Governor's Regional Housing Summits across the State.
- Participation in the NRC Hispanic Conference
- 30th Anniversary Legislative Event
- Lead the planning of the Appalachian Housing Conference to be held in Tennessee
- Sponsored Anniversary Events with the Realtors Associations in three grand divisions
- Co-Host Tennessee Hispanic Conference
- Hosted 30th Anniversary Lenders Breakfast in three grand divisions
- Sponsored dinner at the Annual Tennessee Mortgage Bankers Association Event – Chattanooga
- Section 8 Homeownership orientations with NeighborWorks partners – Rutherford County
- Participation in Housing Committee, Mental Health Planning Council
- Participated on Fannie Mae's Advisory Council
- Host HOME Workshops
- Host Developer Forums
- Participate in a National Mortgage Revenue Bond Seminar

- Participate on Council on Developmental Disabilities
- Co-host Homebuyer Education Provider Training
- Celebration of 30-year anniversary
- Presented at the TAHRA Spring Workshop
- Met with Council on Developmental Disabilities regarding the Homeownership Voucher Program, and the disabled
- Participate in National Default Servicing Conference
- Participate in Tennessee SAHMA Regulatory Meeting
- Dedication of 99th House the General Assembly Built, Nashville
- Attended disaster relief planning session in Jackson
- Conducted a training session on the Disaster Relief and Economic Recovery Program for the Jackson Board of Realtors
- Participated in HUD Housing Fair at Woodbine Community Organization
- Present at the Legislative Retreat at Paris Landing
- Met with Department of Mental Health and Developmental Disabilities and TennCare Partners
- Participated in Development Districts Annual Meeting
- Participate in Real Choice Systems Change Grant Advisory Committee, Department of Mental Health and Developmental Disabilities
- Attend FAHE Annual Conference
- Conducted Money Smart Train the Trainer Sessions across the State, (FDIC, FRB, AmSouth Bank and THDA Partnership)
- Attended White House Conference on Faith Based Community Initiatives
- Attended S & P Housing Finance Conference
- Some member of THDA staff attended each of the NCSHA Conferences held throughout the year 2003

THDA Mortgage Loan Partners

GUARANTY TRUST CO.
HABITAT FOR HUMANITY
WILSON COUNTY
HABITAT FOR HUMANITY - MEMPHIS
HABITAT FOR HUMANITY CLEVELAND
HABITAT FOR HUMANITY OF PARIS/HENRY COUNTY
HABITAT FOR HUMANITY
WILLIAMSON COUNTY
HOLSTON HABITAT FOR HUMANITY
HOME FEDERAL BANK OF TN
HOME FEDERAL SAVINGS BANK
IRWIN MORTGAGE CORP.
JACKSON TN AREA HABITAT
KNOXVILLE HABITAT FOR HUMANITY
LAKEWAY AREA HABITAT
LOUDON COUNTY HABITAT FOR HUMANITY
MAURY COUNTY HABITAT
MIDDLE TENNESSEE MORTGAGE
MONROE COUNTY HABITAT FOR HUMANITY
MORTGAGE INVESTORS GROUP INC.
MORTGAGE PORTFOLIO SERVICES INC.
MORTGAGE RESOURCE INC.
MOUNTAIN NATIONAL BANK
NASHVILLE HABITAT FOR HUMANITY
NATIONAL BANK OF COMMERCE
NATIONAL BANK OF NEWPORT
NATIONAL CITY MORTGAGE CO.
NATIONS Banc MORTGAGE CORP.
NEW SOUTH FEDERAL SAVINGS BANK
NORTH AMERICAN MORTGAGE CO.
NVR MORTGAGE FINANCE INC.
OLD KENT MORTGAGE CO.
OLD NATIONAL BANK
PEOPLES FIRST CORP.
PRIME LENDING
PROFESSIONAL MORTGAGE GROUP
PULASKI MORTGAGE CO.
PUTNAM COUNTY HABITAT FOR HUMANITY
REGIONS MORTGAGE
RIGHT MORTGAGE CO.
ROANE COUNTY HABITAT FOR HUMANITY
ROBERTSON COUNTY HABITAT
RUTHERFORD COUNTY HABITAT
SECURITY BANK
SECURITY FEDERAL S & L ASSOC.
SOUTH TRUST MORTGAGE CORP.
SOUTHEASTERN MTG/NBC DIV.
SOUTHTRUST MORTGAGE CORP.
STATE OF FRANKLIN SAVINGS BANK
SUNTRUST BANK
TENNESSEE BANK AND TRUST
TENNESSEE STATE BANK
THE BANK/FIRST CITIZENS BANK
THE COMMUNITY BANK/CUMBERLAND BANK
TIPTON COUNTY HABITAT FOR HUMANITY
TRADERS NATIONAL BANK
TRISTAR BANK
UNION PLANTERS BANK
UNION PLANTERS MORTGAGE
US BANK
VOLUNTEER FEDERAL S & L
VOLUNTEER TRUST
WAYNE COUNTY BANK
WELLS FARGO HOME MORTGAGE
WILSON BANK & TRUST



"Without THDA's Section 8 Choice Voucher program and the FSS program, I wouldn't have been able to reach my goal of homeownership."
 — **Tammy Morrison, FSS participant**

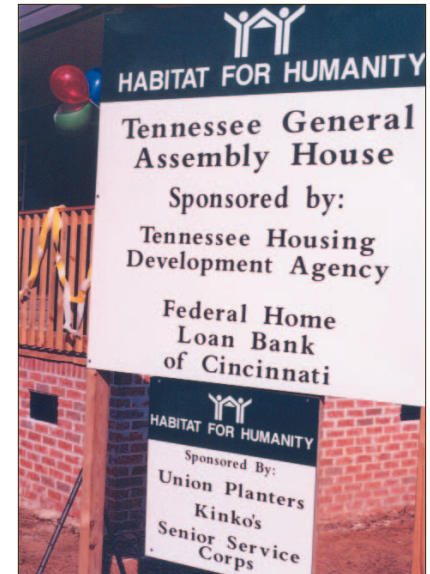


"THDA is a great example of government stepping up to meet the needs of families."
 — **Chrissi Rhea, AIG, Knoxville, Tennessee**



"Speaking as a lender, I have been in the mortgage business since 1967 and I can honestly say, I have never before seen a government program like the Disaster Relief and Economic Recovery program that has had such life-changing impact on families and long-term economic benefit to the entire community."

— **Linda Sparks, Bankers Mortgage Company, Jackson, Tennessee**



"As a realtor, I always make sure my clients are aware of the great benefits that THDA's mortgage program offers, and most of them qualify and take advantage of those benefits." — **Adrienne Lyons, Coldwell Bankers – Barnes of Nashville.**

Timeline

- 1972** Legislation first offered by Governor Winfield Dunn.
- 1973** Tennessee Housing Development Agency Act passes with one dissenting vote after amendments.
- 1974** First bond sale, \$32,880,000; 1974 Series A; \$25,000,000 to purchase mortgages from 23 institutions; \$4,000,000 for 200 new loans.
- 1975** THDA made 4,033 mortgage loans totaling \$200,142,575 this year.
- 1976** Section 8 New Construction and Existing Programs underway.
- 1976-77** THDA is the first housing finance agency with national private mortgage insurance agreement to insure multifamily; 400 families receiving Section 8 Existing rental assistance; relationship established with commercial lender for short-term funds for construction loan program; average gross family income under Homeownership Program is \$12,300; 950 loans have been made.
- 1978** Janet Clark Home in Crossville for mentally and physically disabled adults is first group home built; 6,134 single family loans have been made; 2,924 apartment units financed; rates are 6.5% to 7.5%, with conventional rates at 10%. Initial State appropriation of \$450,000 returned.
- 1979** 2,837 loans have been made in single family program, \$16,900 maximum income, average family's income is \$13,946, average mortgage amount is \$26,258; rates are 7.25% and 7.75%.
- 1980** General Assembly increases outstanding debt authority by \$200 million to \$692,200,000; Agency has sold \$485,000,000 in tax-exempt securities, \$68 million for rental.
- 1981** Authority increased to \$892,000,000; 15,636 single-family loans have been made.
- 1982** Authority increased to \$932,000,000; average income is \$16,000, sales price is \$34,000.
- 1983** Rental Rehabilitation demonstration program established; Section 8 helping families in 63 counties through THDA; 3,101 elderly and family units, 279 units of congregate care and 1,796 mortgages in existing communities.
- 1984** 23,475 in Homeownership Program loans; latest bond sale offered \$121,616,429 – reservations from lenders totaled \$390,620,000. Owner-Built program sees nine homes built by the families and mortgaged by THDA.
- 1985** Agency has provided \$944.4 million, a \$38,000 average mortgage amount; 127 lenders participated in 1984B; First Tennessee Housing Industry Conference is held.
- 1986** 1985A has 9.95% relending rate; 3,154 loans made in the 1986 fiscal year to families earning an average of \$19,430 buying homes costing an average of \$42,000; 27,421 mortgages have been made; a school building in Fayetteville is converted into 18 apartments under the Rental Rehabilitation Program.
- 1987** Governor McWherter takes his "Listening to Tennessee" Tour and discovers affordable housing is a high priority; Four bond issues produce rates of 8.95%, 7.95%, 7.95% and 9%; 350 lenders are registered with THDA; 2,600 families are receiving Section 8 assistance. Congress introduces Low Income Housing Tax Credit Program.
- 1988** Governor McWherter convenes Task Force on Housing which designs a three-year pilot grant program called HOUSE (Housing Opportunities Using State Encouragement), adds two members to Board; Agency makes 30,000th mortgage in January to Willie and Vickie Jones of Cookeville, and has 32,264 by June; RIC (Rural and Inner City) Program offers rate of 6.75% subsidized by standard rate of 8.85%.
- 1989** First HOUSE contracts are made with 50 entities with programs in 29 counties; \$300.3 million in mortgage funds released, 6,983 homes with an average mortgage of \$43,000 are financed; 126 builders reserve \$89.5 million at 8.85%; Agency has made 35,473 mortgages and 3,550 families in 74 counties are using the THDA-administered Section 8 Program.
- 1990** 40,000th mortgage goes to John and Pam Owens of Dandridge; 498 families have been helped by HOUSE; 353 adults with mental retardation enjoying congregate care in group homes; 3,703 homes have been rehabilitated with rental rehabilitation; Partnership with Tennessee Valley Authority turns abandoned hotel in Milan into affordable rental housing; taxable bond blend includes \$4 million purchase of bonds for Community Reinvestment Act credit.
- 1991** HOUSE program made permanent by General Assembly; lowest average borrower income of all housing finance agencies at \$21,770; average down payment \$549; \$225.9 million bonds sold, 4,941 mortgages made, 10% of 18 year total. Tax Credit has been used to provide 7,941 units of affordable rental housing.

- 1992** In cooperation with the U.S. Department of Agriculture, THDA teamed with the Farmers Home Administration to add the FHA guarantee to its portfolio of insurance and guarantee options. First year for HOME grants, \$14,664,000.
- 1993** Celebrated 20 years of success having provided 50,000 families with the dream of homeownership.
- 1994–95** Implemented and introduced the START program to help those families making \$17,000 or less and purchasing a home for \$44,000 or less. The Agency exceeded \$200 million in single-family mortgage funding – first time in agency history. Began compliance for LIHTC program.
- 1996–97** Developed Bicentennial Neighborhoods Initiative – the first two grants were awarded to MDHA and CNE. Other grants were awarded for BNI to Brownsville, Dandridge, Johnson City, Knoxville, Memphis, and Rockwood.
- 1998** THDA celebrates 25 years of providing affordable housing. Great Start Program providing borrowers down payment assistance of 4%.
- 1999** Exceeded all previous mortgage production – funded over \$400 million and helped over 5,500 families that year.
- 2000** Janice Myrick appointed first female executive director. THDA awards its 75,000th mortgage to a young family, Mathew, Monica and Macy Brewster of Knoxville. Received the contract from HUD to administer the Section 8 Contract Administration program for over 25,000 units. Congress increased per capita for volume cap and tax credit.
- 2001** The implementation of the New Start program providing 0% money to not-for-profits that qualify. This was the first year that Tennessee participated in the Appalachian Housing Summit, which included Kentucky, Virginia, and West Virginia.
- 2002** THDA recorded its lowest interest rate ever at 5.4%. THDA partnered with AmSouth and NeighborWorks to promote the Homebuyer Education Initiative to “Train the Trainer”. Housing Summits were held across the state in the nine development districts to learn more about the housing needs of rural Tennessee.
- 2003** THDA celebrates 30 years of success. THDA also offered lowest interest rate ever of 4.65%. THDA dedicated \$45 million to the Disaster Relief and Economic Recovery Program to help families in counties declared disaster areas by the Federal government.

**“I take great pride in having been a part of the creation
of an Agency of State government that has played such
a meaningful role in the lives of so many people.
THDA has lived up to my highest expectations.”**

— Former Governor Winfield Dunn

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Calestine Williams,
Gerald Reed
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secretary
Riley Darnell),
Ralph Perrey,
Brad Rainey,
Ed Latimer,
Bill Bruce,
Jerry Sisson,
Tom Mottern,
Ann Butterworth
(representing
John Morgan),
Carl Tindell,
Gerald Konobia.
Not Pictured:
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Winston Henning,
Ronnie Knight,
Jackie West,
Dale Sims,
Bob Cooper, and
Dave Goetz, Jr.

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Housing Authority Director

Mission Statement—

THDA's mission is

to be the lead State

agency promoting sound

and affordable housing

for people

who need help.

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